

CASE

NUMBER:

99-134

South Anderson Water District
246 Court Street
Lawrenceburg, Ky 40342

May 19, 1999

Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

RECEIVED
MAY 24 1999
PUBLIC SERVICE
COMMISSION

Attention: Ms. Stephanie Bell, Secretary

Re: Case No. 99-134 - South Anderson Water District

Ladies and Gentlemen:

In compliance with paragraph 3 of the Order of the Public Service Commission dated May 12, 1999, issued in the above-identified case, South Anderson Water District hereby advises you as follows:

1. The day of issuance of the District's \$865,000 principal amount of Water System Refunding Revenue Bonds, Series 1999a, is May 19, 1999.
2. The purchaser of the bonds upon competitive sale was Kirkpatrick Pettis, Lexington, Kentucky, and the purchase price was \$947,716.05, with an underwriter's discount of \$17,283.95 (1.998145% of par).
3. The interest rates on the bonds are shown on the first attachment to this letter.
4. Fees and expenses are shown on the second attachment to this letter.

If you desire further information or data, please let us know.

Sincerely yours,


Alton Warford, Manager
South Anderson Water District

OFFICIAL STATEMENT

Dated April 19, 1999

NEW ISSUE

**NO RATING REQUESTED
(Bank Qualified)**

In the opinion of Bond Counsel, subject to the conditions set forth in "TAX EXEMPTION" herein, interest on the 1999A Bonds is excluded from gross income for federal and Kentucky income tax purposes and is not an item of tax preference for purposes of computing the federal alternative minimum tax. Bond Counsel is further of the opinion that the 1999A Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and its political subdivisions.

\$865,000

**SOUTH ANDERSON (KENTUCKY) WATER DISTRICT
WATER SYSTEM REFUNDING REVENUE BONDS, SERIES 1999A**

Dated: April 15, 1999

Due: January 1, as shown below

Principal of the 1999A Bonds is payable at The Fifth Third Bank, Cincinnati, Ohio, Paying Agent and Bond Registrar. Interest on the 1999A Bonds, payable semiannually on each January 1 and July 1, commencing January 1, 2000, will be paid by check or draft mailed by the Paying Agent and Bond Registrar to the registered holders of the 1999A Bonds. The 1999A Bonds will be issuable in denominations of \$5,000 or any integral multiples thereof, fully registered as to both principal and interest. The 1999A Bonds are Term Bonds maturing and bearing interest as set out below and are subject to mandatory sinking fund redemption as set out herein.

\$ 95,000	4.00%	Term Bonds Due January 1, 2004	Yield 4.10%
\$125,000	4.40%	Term Bonds Due January 1, 2009	Yield 4.55%
\$165,000	5.00%	Term Bonds Due January 1, 2014	Yield 5.05%
\$210,000	5.05%	Term Bonds Due January 1, 2019	Yield 5.15%
\$270,000	5.125%	Term Bonds Due January 1, 2024	Yield 5.25%

(Plus accrued interest - when issued)

The 1999A Bonds maturing on and after January 1, 2010, are redeemable at the option of the District on and after January 1, 2009, as described herein.

The issuance of the 1999A Bonds and certain legal matters incident thereto are subject to the approving opinion of Harper, Ferguson & Davis, Louisville, Kentucky, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Raymond M. Edelman, Lawrenceburg, Kentucky. Delivery of the 1999A Bonds is expected on or about May 19, 1999.



KIRKPATRICK PETTIS

South Anderson Water District
 Water System Refunding Revenue Bonds
 Series 1999

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Sources and Uses of Funds

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Delivery Date: 5/19/99

Sources of Funds

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Par Amount of Bonds.....	\$865,000.00	
+Premium /-Discount.....	\$0.00	
Bond Proceeds.....		865,000.00
Accrued Interest.....		3,965.96
Equity Contribution - Interest.....		17,173.00
Equity Contribution - Principal.....		2,667.00
		\$888,805.96

Uses of Funds

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Called Bonds.....		759,704.05
Financial Advisor.....		15,000.00
Bond Counsel.....		18,000.00
Local Counsel.....		2,500.00
Printing/Advertising.....		2,500.00
Paying Agent.....		3,500.00
Underwriters Discount..... (1.998145%)..		17,283.95
Accrued Interest.....		3,965.96
Debt Service Reserve.....		63,817.50
Contingency.....		2,534.50
		\$888,805.96

Kirkpatrick Pettis, Inc.

Micro-Muni Sizing Date: 04-19-1999 @ 13:35:02 Filename: SANDERS Key: REFUND-99

INDEX FOR CASE: 99-134 ✓
SOUTH ANDERSON WATER DISTRICT
Financing

FINANCIAL EXHIBIT FROM 807 KAR 5:001, SECTION 6

IN THE MATTER OF THE APPLICATION OF THE SOUTH ANDERSON
WATER DISTRICT TO ISSUE SECURITIES IN THE APPROXIMATE
PRINCIPAL AMOUNT OF \$865,000.00 FOR THE PURPOSE OF REFUNDING
AN OUTSTANDING REVENUE BOND OF THE DISTRICT PURSUANT TO THE
PROVISIONS OF KRS 278.300 AND 807 KAR 5:001

SEQ NBR	ENTRY DATE	REMARKS
0001	04/05/99	Application.
0002	04/08/99	Acknowledgement letter.
0003	05/05/99	Order granting deviation from requirements of 807 KAR 5:001, Section 6
0004	05/12/99	Final Order giving authorization to issue bonds.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-134
SOUTH ANDERSON WATER DISTRICT

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on May 12, 1999.

Parties of Record:

Bob Kincer
Chairman
South Anderson Water District
246 Court Street
P. O. Box 16
Lawrenceburg, KY. 40342

Honorable Ray Edelman
Attorney at Law
150 South Main Street
Lawrenceburg, KY. 40342

Stephanie D. Bell
Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE SOUTH ANDERSON)
WATER DISTRICT TO ISSUE SECURITIES IN)
THE APPROXIMATE PRINCIPAL AMOUNT OF)
\$865,000 FOR THE PURPOSE OF REFUNDING) CASE NO.
AN OUTSTANDING REVENUE BOND OF THE) 99-134
DISTRICT PURSUANT TO THE PROVISIONS OF)
KRS 278.300 AND 807 KAR 5:001)

ORDER

On April 5, 1999, South Anderson Water District ("South Anderson") filed an application for authority to issue South Anderson Water District Water System Refunding Revenue Bonds, Series 1999A ("1999 Bonds"), as required by KRS 278.300, in the principal sum not to exceed \$865,000. The bond proceeds will be used to refinance South Anderson Water District Water System Revenue Bonds, 1988 Series A and B ("1988 Bonds") which carry annual interest rates of 6.875 and 7.375 percent, respectively. The 1999 Bonds mature in various annual amounts from 2000 through 2024 and will bear coupon rates ranging from 3.6 to 5.25 percent. South Anderson stated that the refunding of the 1988 Bonds is in the public interest and is intended to strengthen the financial condition of the District by producing substantial debt service savings. The net present value savings of the change in net cash outflow is expected to be at least \$45,868.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that South Anderson's proposal to issue the 1999 Bonds to refund the 1988 Bonds is for a lawful object within South Anderson's corporate purpose,

is reasonably necessary, appropriate for and consistent with the proper performance of its service to the public, will not impair its ability to perform that service, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. South Anderson is authorized to issue bonds for an amount not to exceed \$865,000, with coupon rates ranging from 3.6 to 5.25 percent.

2. South Anderson shall issue its proposed 1999 Bonds only on such terms that will result in a positive net present value savings and which are consistent with its application.

3. South Anderson shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of issuance of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions, or other compensation involved in the issuance and distribution.

4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in South Anderson's application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 12th day of May, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

May 5, 1999

Bob Kincer
Chairman
South Anderson Water District
246 Court Street
P. O. Box 16
Lawrenceburg, KY. 40342

Honorable Ray Edelman
Attorney at Law
150 South Main Street
Lawrenceburg, KY. 40342

RE: Case No. 99-134

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE SOUTH)
ANDERSON WATER DISTRICT TO)
ISSUE SECURITIES IN THE APPROXIMATE)
PRINCIPAL AMOUNT OF \$865,000.00 FOR) CASE NO.
THE PURPOSE OF REFUNDING AN OUT-) 99-134
STANDING REVENUE BOND OF THE)
DISTRICT PURSUANT TO THE PROVISIONS)
OF KRS 278.300 AND 807 KAR 5:001)

O R D E R

On April 5, 1999, South Anderson Water District ("South Anderson") applied to the Commission for authority to issue certain securities in the approximate principal amount of \$865,000 for the purpose of refunding certain outstanding water system bonds of the district. In its filing, South Anderson requested permission to deviate from the requirements of 807 KAR 5:001, Section 6.

807 KAR 5:001, Section 6, requires the submission of a detailed financial exhibit for the period ending not more than 90 days prior to the date of the application. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that good cause has been shown and that the information contained in South Anderson's 1998 Annual Report on file with the Commission is sufficient to enable the Commission to review adequately South Anderson's filing. Therefore, its request for permission to deviate from the above-cited regulation should be granted.

IT IS THEREFORE ORDERED that South Anderson's request for permission to deviate from the requirements of 807 KAR 5:001, Section 6, is hereby granted.

Done at Frankfort, Kentucky, this 5th day of May, 1999.

By the Commission

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

April 8, 1999

Bob Kincer
Chairman
South Anderson Water District
246 Court Street
P. O. Box 16
Lawrenceburg, KY. 40342

Honorable Ray Edelman
Attorney at Law
150 South Main Street
Lawrenceburg, KY. 40342

RE: Case No. 99-134
SOUTH ANDERSON WATER DISTRICT
(Financing) (Deviation) FROM 807 KAR 5:001, SECTION 6

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received April 5, 1999 and has been assigned Case No. 99-134. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/jc

RECEIVED

APR 05 1999

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE SOUTH ANDERSON
WATER DISTRICT TO ISSUE SECURITIES
IN THE APPROXIMATE PRINCIPAL AMOUNT OF
\$865,000.00 FOR THE PURPOSE OF REFUNDING
AN OUTSTANDING REVENUE BOND OF THE
DISTRICT PURSUANT TO THE PROVISIONS OF
KRS 278.300 AND 807 KAR 5:001

CASE NO. 99-134

APPLICATION

The Applicant, South Anderson Water District District, serving Anderson County, Commonwealth of Kentucky (the "District"), files this Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Public Service Commission of the Commonwealth of Kentucky (the "Commission") enter an Order authorizing the District to issue certain securities in the approximate principal sum of \$865,000.00 (and not to exceed \$875,000.00) for the purpose of refunding certain outstanding water system bonds of the District. In support of this Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The District was established by Order of the County Court of Anderson County which was dated the 5th day of May, 1967, pursuant to the provisions of KRS Chapter 74. The boundaries of the District were later extended by annexation as follows:

- * By order of the Anderson County Judge/Executive, dated August 26, 1975;

- * By order of the Anderson County Judge/Executive, dated September 25, 1975;
- * By order of the Anderson County Judge/Executive, dated April 10, 1987.
- * By order of the Anderson County Judge/Executive dated July 12, 1987.
- * By order of the Anderson County Judge/Executive dated June 26, 1987;

The District is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the Commission with reference to the District are incorporated in this Application by reference.

2. The governing body of the District is its Board of Commissioners which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

3. The mailing address of the District is as follows:

South Anderson Water District
246 Court Street
Lawrenceburg, KY 40342
Telephone: 502-839-6919
FAX: 502-859-0424

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Reports for 1997 and 1998 which are on file with the Commission. The Annual Reports are incorporated herein by reference.

5. The District proposes to issue new securities, to be designated as South Anderson Water District Water System Refunding Revenue Bonds, Series

1999A, (the "1999 Bonds"), in the estimated principal amount of \$865,000.00 for the purpose of refunding the outstanding revenue bonds designated as: South Anderson Water District Water System Revenue Bonds, 1988 Series A and B (the "1988 Bonds"), in the original aggregate principal amount of \$650,000.00 and \$137,000.00, respectively, which bear interest at the rates of 6.875% and 7.375% per annum and have outstanding principal balances of \$611,000.00 and \$129,000.00.

6. The estimated Debt Service Schedule for the 1999 Bonds is shown in Exhibit A which is attached hereto and incorporated herein by reference. Exhibit A also shows the anticipated coupon rate for each maturity and the anticipated average coupon rate. The Debt Service Schedule is subject to change because of market conditions. The final terms and details of the 1999 Bonds may vary from the present assumptions based upon market conditions and other business judgment factors. The 1999 Bonds will be sold pursuant to public advertisement soliciting competitive bids according to Kentucky law.

7. The issuance of the 1999 Bonds will provide the District with the funds necessary to (a) refund the 1988 Bonds; (b) fund a debt service reserve for the 1999 Bonds; and (c) pay the fees and expenses incident to the issuance of the 1999 Bonds.

8. The Sources and Uses of funds to be obtained from the issuance of the 1999 Bonds are detailed as Exhibit B, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refinancing will result in total gross savings of approximately \$379,986.45 which represents a net present value savings @ 5.0654% or \$107,012.35. These savings are shown on the Net Debt

Service Savings Report, which is attached hereto and incorporated herein by reference as Exhibit C.

10. The Debt Service Schedule of the outstanding 1988 Series A Bonds being refunded is set forth in Exhibit D and the Debt Service Schedule of the outstanding 1988 Series B Bonds being refunded is set forth in Exhibit E. The combined Debt Service Schedule of the two outstanding series to be refunded is attached hereto as Exhibit F.

11. The District represents that the issuance of the 1999 Bonds is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the District by producing substantial debt service savings. This is a lawful object within the corporate purposes of the District's utility operations. The issuance of the 1999 Bonds is necessary, appropriate for, and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service.

12. The District represents that it will, as soon as reasonably possible after the issuance of the 1999 Bonds, file with the Commission a statement setting forth the date of issuance of the 1999 Bonds, the price paid, the fees and expenses incurred in the issuance of the 1999 Bonds, and the terms and interest rates of the 1999 Bonds.

13. The 1998 audit of the District is filed herewith as Exhibit G, being sufficient under 807 KAR 5:001 to partially satisfy the requirements of a Financial Exhibit under that regulation.

14. The remaining financial schedules and other information necessary for the Financial Exhibit required by 807 KAR 5:001, Section 6 and Section 11(2) (a) are contained in the 1998 annual Report which is on file with the

Commission. The Annual Report is incorporated herein by reference.

15. The District hereby requests and moves for a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The District states that there has been no change that is material in nature in the financial condition or operation of the District since December 31, 1998. The financial data filed with this Application is for the twelve (12) month period ending December 31, 1998. This is the most recent published financial data available, except for the submission of the audit for 1998, which is heretofore submitted as Exhibit G. Because of the volatility of the bond market, the District cannot run the risk of delaying the sale of the 1999 Bonds while more current financial data is compiled.

16. The sale of the 1999 bonds is tentatively scheduled for Monday, April 19, 1999, with a closing tentatively scheduled for May 20, 1999.

17. No rate adjustment will be necessary.

WHEREFORE, the District respectfully requests that the Commission take the following actions:

1. Place this Application to issue securities at the head of the docket as provided by KRS 278.300 (2);

2. Authorize the issuance of the securities requested in the Application prior to the proposed sale date of April 19, 1999, or in any event before May 20, 1999;

3. Grant the District a deviation, to the extent necessary, from 807 KAR 5:001, Section 6 to allow the submission of the District's 1998 Annual Report in

lieu of more recent financial data, there being no material change in the data in 1999 and due to the volatility of the present bond market; and

4. Process this Application without a formal hearing in order to save time and expense. The District will promptly respond to any inquiries or information requested by the Commission's staff.

The foregoing is true and correct based upon the best knowledge and belief of the undersigned.

Respectfully submitted,

SOUTH ANDERSON WATER DISTRICT

BY: Bob Kincer
Bob Kincer, Chairman

Commonwealth of Kentucky

County of Anderson

Acknowledged, subscribed, and sworn to before me by Bob Kincer, as Chairman of the South Anderson Water District, on this the 5th day of April, 1999.

My commission expires: June 1, 2002.

Kit Phillips
Notary Public
State of Kentucky at Large

Ray Edelman
Ray Edelman
Attorney for South Anderson Water District
150 South Main Street
Lawrenceburg, KY 40342
Telephone: 502-839-5111
FAX: 502-839-3834

South Anderson Water District
Water System Refunding Revenue Bonds
Series 1999

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/ 1/99			8,934.75	8,934.75	8,934.75
1/ 1/ 0	20,000.00	3.600000	21,161.25	41,161.25	
7/ 1/ 0			20,801.25	20,801.25	61,962.50
1/ 1/ 1	20,000.00	3.800000	20,801.25	40,801.25	
7/ 1/ 1			20,421.25	20,421.25	61,222.50
1/ 1/ 2	20,000.00	3.950000	20,421.25	40,421.25	
7/ 1/ 2			20,026.25	20,026.25	60,447.50
1/ 1/ 3	20,000.00	4.050000	20,026.25	40,026.25	
7/ 1/ 3			19,621.25	19,621.25	59,647.50
1/ 1/ 4	25,000.00	4.150000	19,621.25	44,621.25	
7/ 1/ 4			19,102.50	19,102.50	63,723.75
1/ 1/ 5	25,000.00	4.250000	19,102.50	44,102.50	
7/ 1/ 5			18,571.25	18,571.25	62,673.75
1/ 1/ 6	25,000.00	4.350000	18,571.25	43,571.25	
7/ 1/ 6			18,027.50	18,027.50	61,598.75
1/ 1/ 7	25,000.00	4.450000	18,027.50	43,027.50	
7/ 1/ 7			17,471.25	17,471.25	60,498.75
1/ 1/ 8	25,000.00	4.500000	17,471.25	42,471.25	
7/ 1/ 8			16,908.75	16,908.75	59,380.00
1/ 1/ 9	25,000.00	4.600000	16,908.75	41,908.75	
7/ 1/ 9			16,333.75	16,333.75	58,242.50
1/ 1/10	30,000.00	4.700000	16,333.75	46,333.75	
7/ 1/10			15,628.75	15,628.75	61,962.50
1/ 1/11	30,000.00	4.800000	15,628.75	45,628.75	
7/ 1/11			14,908.75	14,908.75	60,537.50
1/ 1/12	30,000.00	4.900000	14,908.75	44,908.75	
7/ 1/12			14,173.75	14,173.75	59,082.50
1/ 1/13	35,000.00	5.000000	14,173.75	49,173.75	
7/ 1/13			13,298.75	13,298.75	62,472.50
1/ 1/14	35,000.00	5.100000	13,298.75	48,298.75	
7/ 1/14			12,406.25	12,406.25	60,705.00
1/ 1/15	40,000.00	5.150000	12,406.25	52,406.25	
7/ 1/15			11,376.25	11,376.25	63,782.50
1/ 1/16	40,000.00	5.200000	11,376.25	51,376.25	
7/ 1/16			10,336.25	10,336.25	61,712.50
1/ 1/17	40,000.00	5.200000	10,336.25	50,336.25	
7/ 1/17			9,296.25	9,296.25	59,632.50
1/ 1/18	45,000.00	5.200000	9,296.25	54,296.25	
7/ 1/18			8,126.25	8,126.25	62,422.50
1/ 1/19	45,000.00	5.200000	8,126.25	53,126.25	
7/ 1/19			6,956.25	6,956.25	60,082.50
1/ 1/20	45,000.00	5.250000	6,956.25	51,956.25	
7/ 1/20			5,775.00	5,775.00	57,731.25
1/ 1/21	50,000.00	5.250000	5,775.00	55,775.00	
7/ 1/21			4,462.50	4,462.50	60,237.50
1/ 1/22	55,000.00	5.250000	4,462.50	59,462.50	
7/ 1/22			3,018.75	3,018.75	62,481.25
1/ 1/23	55,000.00	5.250000	3,018.75	58,018.75	
7/ 1/23			1,575.00	1,575.00	59,593.75
1/ 1/24	60,000.00	5.250000	1,575.00	61,575.00	
7/ 1/24					61,575.00
	-----		-----	-----	
ACCRUED	865,000.00		667,343.50	1,532,343.50	
			4,114.69	4,114.69	
	865,000.00		663,228.81	1,528,228.81	
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Dated 4/15/99 with Delivery of 5/20/99
 Bond Years 13.095111
 Average Coupon 5.096127
 Average Life 15.138857
 N I C % 5.228237 % Using 98.000000
 T I C % 5.270923 % From Delivery Date

"EXHIBIT A"

South Anderson Water District
 Water System Refunding Revenue Bonds
 Series 1999

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Sources and Uses of Funds

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Delivery Date: 5/20/99

Sources of Funds

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Par Amount of Bonds.....	\$865,000.00	
+Premium /-Discount.....	\$0.00	
Bond Proceeds.....		865,000.00
Accrued Interest.....		4,114.69
Equity Contribution - Interest.....		17,173.00
Equity Contribution - Principal.....		2,667.00
		\$888,954.69

Uses of Funds

=====

Called Bonds.....		759,892.44
Financial Advisor.....		15,000.00
Bond Counsel.....		18,000.00
Local Counsel.....		2,500.00
Printing/Advertising.....		2,500.00
Paying Agent.....		3,500.00
Underwriters Discount..... (2.000000%)...		17,300.00
Accrued Interest.....		4,114.69
Debt Service Reserve.....		63,782.50
Contingency.....		2,365.06
		\$888,954.69

" EXHIBIT B "

South Anderson Water District
Water System Refunding Revenue Bonds
Series 1999

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Net Debt Service Savings Report

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Delivery Date: 5/20/99

Date	Debt Service	Proposed Fund Earnings	Net Debt Svc.	Prior Debt Service	Savings	Cumulative Savings
7/ 1/99	8,934.75	4,506.95	4,427.80	25,760.00	21,332.20	1,492.20
7/ 1/ 0	61,962.50	3,444.26	58,518.25	59,242.50	724.26	2,216.46
7/ 1/ 1	61,222.50	3,444.26	57,778.25	58,687.50	909.26	3,125.71
7/ 1/ 2	60,447.50	3,444.26	57,003.25	59,098.13	2,094.88	5,220.59
7/ 1/ 3	59,647.50	3,444.26	56,203.25	59,437.50	3,234.26	8,454.85
7/ 1/ 4	63,723.75	3,444.26	60,279.50	59,705.63	-573.87	7,880.98
7/ 1/ 5	62,673.75	3,444.26	59,229.50	58,939.38	-290.12	7,590.86
7/ 1/ 6	61,598.75	3,444.26	58,154.50	59,138.75	984.26	8,575.11
7/ 1/ 7	60,498.75	3,444.26	57,054.50	59,269.38	2,214.88	10,789.99
7/ 1/ 8	59,380.00	3,444.26	55,935.75	58,365.63	2,429.88	13,219.87
7/ 1/ 9	58,242.50	3,444.26	54,798.25	58,427.50	3,629.26	16,849.13
7/ 1/10	61,962.50	3,444.26	58,518.25	59,383.75	865.51	17,714.63
7/ 1/11	60,537.50	3,444.26	57,093.25	59,234.38	2,141.13	19,855.76
7/ 1/12	59,082.50	3,444.26	55,638.25	59,016.25	3,378.01	23,233.77
7/ 1/13	62,472.50	3,444.26	59,028.25	58,729.38	-298.87	22,934.90
7/ 1/14	60,705.00	3,444.26	57,260.75	58,373.75	1,113.01	24,047.90
7/ 1/15	63,782.50	3,444.26	60,338.25	58,912.50	-1,425.75	22,622.16
7/ 1/16	61,712.50	3,444.26	58,268.25	58,345.63	77.38	22,699.54
7/ 1/17	59,632.50	3,444.26	56,188.25	58,675.63	2,487.38	25,186.92
7/ 1/18	62,422.50	3,444.26	58,978.25	58,865.63	-112.62	25,074.30
7/ 1/19	60,082.50	3,444.26	56,638.25	58,915.63	2,277.38	27,351.68
7/ 1/20	57,731.25	3,444.26	54,287.00	57,862.50	3,575.51	30,927.18
7/ 1/21	60,237.50	3,444.26	56,793.25	58,669.38	1,876.13	32,803.31
7/ 1/22	62,481.25	3,444.26	59,037.00	58,301.88	-735.12	32,068.19
7/ 1/23	59,593.75	3,444.26	56,149.50	57,794.38	1,644.88	33,713.07
7/ 1/24	61,575.00	65,504.63	-3,929.63	57,146.88	61,076.50	94,789.57
7/ 1/25				57,325.00	57,325.00	152,114.57
7/ 1/26				57,294.38	57,294.38	209,408.95
7/ 1/27				57,055.00	57,055.00	266,463.95
7/ 1/28				56,606.88	56,606.88	323,070.82
7/ 1/29				56,915.63	56,915.63	379,986.45
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	1,532,343.50	152,673.70	1,379,669.80	1,779,496.25		379,986.45
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Dated 4/15/99 with Delivery of 5/20/99
 Bond Years 13,095.111
 Average Coupon 5.096127
 Average Life 15.138857
 N I C % 5.228237 % Using 98.0000000
 T I C % 5.270923 % From Delivery Date

N O T E : Cumulative Savings are Net of 19,840.00
 Net Present Value Savings at: 5.0654% Equals 107,012.35 or 12.3714% of Par of the Current Issue
 N O T E : Present Value Savings are Net of 19,840.00

" EXHIBIT C "

South Anderson Water District
Series 1988 A Bonds

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/ 1/99			21,003.13	21,003.13	21,003.13
1/ 1/ 0	7,000.00	6.875000	21,003.13	28,003.13	
7/ 1/ 0			20,762.50	20,762.50	48,765.63
1/ 1/ 1	7,000.00	6.875000	20,762.50	27,762.50	
7/ 1/ 1			20,521.88	20,521.88	48,284.38
1/ 1/ 2	8,000.00	6.875000	20,521.88	28,521.88	
7/ 1/ 2			20,246.88	20,246.88	48,768.75
1/ 1/ 3	8,000.00	6.875000	20,246.88	28,246.88	
7/ 1/ 3			19,971.88	19,971.88	48,218.75
1/ 1/ 4	9,000.00	6.875000	19,971.88	28,971.88	
7/ 1/ 4			19,662.50	19,662.50	48,634.38
1/ 1/ 5	9,000.00	6.875000	19,662.50	28,662.50	
7/ 1/ 5			19,353.13	19,353.13	48,015.63
1/ 1/ 6	10,000.00	6.875000	19,353.13	29,353.13	
7/ 1/ 6			19,009.38	19,009.38	48,362.50
1/ 1/ 7	11,000.00	6.875000	19,009.38	30,009.38	
7/ 1/ 7			18,631.25	18,631.25	48,640.63
1/ 1/ 8	11,000.00	6.875000	18,631.25	29,631.25	
7/ 1/ 8			18,253.13	18,253.13	47,884.38
1/ 1/ 9	12,000.00	6.875000	18,253.13	30,253.13	
7/ 1/ 9			17,840.63	17,840.63	48,093.75
1/ 1/10	13,000.00	6.875000	17,840.63	30,840.63	
7/ 1/10			17,393.75	17,393.75	48,234.38
1/ 1/11	14,000.00	6.875000	17,393.75	31,393.75	
7/ 1/11			16,912.50	16,912.50	48,306.25
1/ 1/12	15,000.00	6.875000	16,912.50	31,912.50	
7/ 1/12			16,396.88	16,396.88	48,309.38
1/ 1/13	16,000.00	6.875000	16,396.88	32,396.88	
7/ 1/13			15,846.88	15,846.88	48,243.75
1/ 1/14	17,000.00	6.875000	15,846.88	32,846.88	
7/ 1/14			15,262.50	15,262.50	48,109.38
1/ 1/15	18,000.00	6.875000	15,262.50	33,262.50	
7/ 1/15			14,643.75	14,643.75	47,906.25
1/ 1/16	19,000.00	6.875000	14,643.75	33,643.75	
7/ 1/16			13,990.63	13,990.63	47,634.38
1/ 1/17	21,000.00	6.875000	13,990.63	34,990.63	
7/ 1/17			13,268.75	13,268.75	48,259.38
1/ 1/18	22,000.00	6.875000	13,268.75	35,268.75	
7/ 1/18			12,512.50	12,512.50	47,781.25
1/ 1/19	24,000.00	6.875000	12,512.50	36,512.50	
7/ 1/19			11,687.50	11,687.50	48,200.00
1/ 1/20	25,000.00	6.875000	11,687.50	36,687.50	
7/ 1/20			10,828.13	10,828.13	47,515.63

" EXHIBIT D "

South Anderson Water District
Series 1988 A Bonds

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/ 1/21	27,000.00	6.875000	10,828.13	37,828.13	
7/ 1/21			9,900.00	9,900.00	47,728.13
1/ 1/22	29,000.00	6.875000	9,900.00	38,900.00	
7/ 1/22			8,903.13	8,903.13	47,803.13
1/ 1/23	30,000.00	6.875000	8,903.13	38,903.13	
7/ 1/23			7,871.88	7,871.88	46,775.00
1/ 1/24	32,000.00	6.875000	7,871.88	39,871.88	
7/ 1/24			6,771.88	6,771.88	46,643.75
1/ 1/25	34,000.00	6.875000	6,771.88	40,771.88	
7/ 1/25			5,603.13	5,603.13	46,375.00
1/ 1/26	37,000.00	6.875000	5,603.13	42,603.13	
7/ 1/26			4,331.25	4,331.25	46,934.38
1/ 1/27	39,000.00	6.875000	4,331.25	43,331.25	
7/ 1/27			2,990.63	2,990.63	46,321.88
1/ 1/28	42,000.00	6.875000	2,990.63	44,990.63	
7/ 1/28			1,546.88	1,546.88	46,537.50
1/ 1/29	45,000.00	6.875000	1,546.88	46,546.88	
7/ 1/29					46,546.88
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ACCRUED	611,000.00		843,837.50	1,454,837.50	
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	611,000.00		843,837.50	1,454,837.50	
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Dated 1/ 1/99 with Delivery of 1/ 1/99
 Bond Years 12.274.000
 Average Coupon 6.875000
 Average Life 20.088380
 N I C % 6.875000 % Using 100.0000000
 T I C % 6.875000 % From Delivery Date

South Anderson Water District
Series 1988 A Bonds

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Debt Service and Call Report

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Date	Original Principal	Coupon	Original Interest	Original Debt Service	Principal To Escrow	Call Premium	Interest To Escrow	Debt Service To Escrow
5/20/99					611,000.00		16,219.08	627,219.08
7/ 1/99			21,003.13	21,003.13				
1/ 1/ 0	7,000.00	6.875000	21,003.13	28,003.13				
7/ 1/ 0			20,762.50	20,762.50				
1/ 1/ 1	7,000.00	6.875000	20,762.50	27,762.50				
7/ 1/ 1			20,521.88	20,521.88				
1/ 1/ 2	8,000.00	6.875000	20,521.88	28,521.88				
7/ 1/ 2			20,246.88	20,246.88				
1/ 1/ 3	8,000.00	6.875000	20,246.88	28,246.88				
7/ 1/ 3			19,971.88	19,971.88				
1/ 1/ 4	9,000.00	6.875000	19,971.88	28,971.88				
7/ 1/ 4			19,662.50	19,662.50				
1/ 1/ 5	9,000.00	6.875000	19,662.50	28,662.50				
7/ 1/ 5			19,353.13	19,353.13				
1/ 1/ 6	10,000.00	6.875000	19,353.13	29,353.13				
7/ 1/ 6			19,009.38	19,009.38				
1/ 1/ 7	11,000.00	6.875000	19,009.38	30,009.38				
7/ 1/ 7			18,631.25	18,631.25				
1/ 1/ 8	11,000.00	6.875000	18,631.25	29,631.25				
7/ 1/ 8			18,253.13	18,253.13				
1/ 1/ 9	12,000.00	6.875000	18,253.13	30,253.13				
7/ 1/ 9			17,840.63	17,840.63				
1/ 1/10	13,000.00	6.875000	17,840.63	30,840.63				
7/ 1/10			17,393.75	17,393.75				
1/ 1/11	14,000.00	6.875000	17,393.75	31,393.75				
7/ 1/11			16,912.50	16,912.50				
1/ 1/12	15,000.00	6.875000	16,912.50	31,912.50				
7/ 1/12			16,396.88	16,396.88				
1/ 1/13	16,000.00	6.875000	16,396.88	32,396.88				
7/ 1/13			15,846.88	15,846.88				
1/ 1/14	17,000.00	6.875000	15,846.88	32,846.88				
7/ 1/14			15,262.50	15,262.50				
1/ 1/15	18,000.00	6.875000	15,262.50	33,262.50				
7/ 1/15			14,643.75	14,643.75				
1/ 1/16	19,000.00	6.875000	14,643.75	33,643.75				
7/ 1/16			13,990.63	13,990.63				
1/ 1/17	21,000.00	6.875000	13,990.63	34,990.63				
7/ 1/17			13,268.75	13,268.75				
1/ 1/18	22,000.00	6.875000	13,268.75	35,268.75				
7/ 1/18			12,512.50	12,512.50				
1/ 1/19	24,000.00	6.875000	12,512.50	36,512.50				
7/ 1/19			11,687.50	11,687.50				
1/ 1/20	25,000.00	6.875000	11,687.50	36,687.50				

South Anderson Water District
Series 1988 A Bonds

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Debt Service and Call Report
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Date	Original Principal	Coupon	Original Interest	Original Debt Service	Principal To Escrow	Call Premium	Interest To Escrow	Debt Service To Escrow
7/ 1/20			10,828.13	10,828.13				
1/ 1/21	27,000.00	6.875000	10,828.13	37,828.13				
7/ 1/21			9,900.00	9,900.00				
1/ 1/22	29,000.00	6.875000	9,900.00	38,900.00				
7/ 1/22			8,903.13	8,903.13				
1/ 1/23	30,000.00	6.875000	8,903.13	38,903.13				
7/ 1/23			7,871.88	7,871.88				
1/ 1/24	32,000.00	6.875000	7,871.88	39,871.88				
7/ 1/24			6,771.88	6,771.88				
1/ 1/25	34,000.00	6.875000	6,771.88	40,771.88				
7/ 1/25			5,603.13	5,603.13				
1/ 1/26	37,000.00	6.875000	5,603.13	42,603.13				
7/ 1/26			4,331.25	4,331.25				
1/ 1/27	39,000.00	6.875000	4,331.25	43,331.25				
7/ 1/27			2,990.63	2,990.63				
1/ 1/28	42,000.00	6.875000	2,990.63	44,990.63				
7/ 1/28			1,546.88	1,546.88				
1/ 1/29	45,000.00	6.875000	1,546.88	46,546.88				
	611,000.00		843,837.50	1,454,837.50	611,000.00		16,219.08	627,219.08

Dated 1/ 1/99 with Delivery of 1/ 1/99
Bond Years 12,274.000
Average Coupon 6.875000
Average Life 20.088380

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Calls Performed
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Call No.	Call Date	First Maturity Called	Last Maturity Called	Principal Called	Call Price	Call Premium
1)	5/20/99	1/ 1/ 0	1/ 1/29	611,000.00	100.000	0.00
				611,000.00		0.00

South Anderson Water District
Series 1988 B Bonds

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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/ 1/99			4,756.88	4,756.88	4,756.88
1/ 1/ 0	1,000.00	7.375000	4,756.88	5,756.88	
7/ 1/ 0			4,720.00	4,720.00	10,476.88
1/ 1/ 1	1,000.00	7.375000	4,720.00	5,720.00	
7/ 1/ 1			4,683.13	4,683.13	10,403.13
1/ 1/ 2	1,000.00	7.375000	4,683.13	5,683.13	
7/ 1/ 2			4,646.25	4,646.25	10,329.38
1/ 1/ 3	2,000.00	7.375000	4,646.25	6,646.25	
7/ 1/ 3			4,572.50	4,572.50	11,218.75
1/ 1/ 4	2,000.00	7.375000	4,572.50	6,572.50	
7/ 1/ 4			4,498.75	4,498.75	11,071.25
1/ 1/ 5	2,000.00	7.375000	4,498.75	6,498.75	
7/ 1/ 5			4,425.00	4,425.00	10,923.75
1/ 1/ 6	2,000.00	7.375000	4,425.00	6,425.00	
7/ 1/ 6			4,351.25	4,351.25	10,776.25
1/ 1/ 7	2,000.00	7.375000	4,351.25	6,351.25	
7/ 1/ 7			4,277.50	4,277.50	10,628.75
1/ 1/ 8	2,000.00	7.375000	4,277.50	6,277.50	
7/ 1/ 8			4,203.75	4,203.75	10,481.25
1/ 1/ 9	2,000.00	7.375000	4,203.75	6,203.75	
7/ 1/ 9			4,130.00	4,130.00	10,333.75
1/ 1/10	3,000.00	7.375000	4,130.00	7,130.00	
7/ 1/10			4,019.38	4,019.38	11,149.38
1/ 1/11	3,000.00	7.375000	4,019.38	7,019.38	
7/ 1/11			3,908.75	3,908.75	10,928.13
1/ 1/12	3,000.00	7.375000	3,908.75	6,908.75	
7/ 1/12			3,798.13	3,798.13	10,706.88
1/ 1/13	3,000.00	7.375000	3,798.13	6,798.13	
7/ 1/13			3,687.50	3,687.50	10,485.63
1/ 1/14	3,000.00	7.375000	3,687.50	6,687.50	
7/ 1/14			3,576.88	3,576.88	10,264.38
1/ 1/15	4,000.00	7.375000	3,576.88	7,576.88	
7/ 1/15			3,429.38	3,429.38	11,006.25
1/ 1/16	4,000.00	7.375000	3,429.38	7,429.38	
7/ 1/16			3,281.88	3,281.88	10,711.25
1/ 1/17	4,000.00	7.375000	3,281.88	7,281.88	
7/ 1/17			3,134.38	3,134.38	10,416.25
1/ 1/18	5,000.00	7.375000	3,134.38	8,134.38	
7/ 1/18			2,950.00	2,950.00	11,084.38
1/ 1/19	5,000.00	7.375000	2,950.00	7,950.00	
7/ 1/19			2,765.63	2,765.63	10,715.63
1/ 1/20	5,000.00	7.375000	2,765.63	7,765.63	
7/ 1/20			2,581.25	2,581.25	10,346.88

"EXHIBIT E"

South Anderson Water District
Series 1988 B Bonds

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Debt Service Schedule
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Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/ 1/21	6,000.00	7.375000	2,581.25	8,581.25	
7/ 1/21			2,360.00	2,360.00	10,941.25
1/ 1/22	6,000.00	7.375000	2,360.00	8,360.00	
7/ 1/22			2,138.75	2,138.75	10,498.75
1/ 1/23	7,000.00	7.375000	2,138.75	9,138.75	
7/ 1/23			1,880.63	1,880.63	11,019.38
1/ 1/24	7,000.00	7.375000	1,880.63	8,880.63	
7/ 1/24			1,622.50	1,622.50	10,503.13
1/ 1/25	8,000.00	7.375000	1,622.50	9,622.50	
7/ 1/25			1,327.50	1,327.50	10,950.00
1/ 1/26	8,000.00	7.375000	1,327.50	9,327.50	
7/ 1/26			1,032.50	1,032.50	10,360.00
1/ 1/27	9,000.00	7.375000	1,032.50	10,032.50	
7/ 1/27			700.63	700.63	10,733.13
1/ 1/28	9,000.00	7.375000	700.63	9,700.63	
7/ 1/28			368.75	368.75	10,069.38
1/ 1/29	10,000.00	7.375000	368.75	10,368.75	
7/ 1/29					10,368.75
	129,000.00		195,658.75	324,658.75	
ACCRUED	129,000.00		195,658.75	324,658.75	

Dated 1/ 1/99 with Delivery of 1/ 1/99
Bond Years 2.653.000
Average Coupon 7.375000
Average Life 20.565891
N I C % 7.375000 % Using 100.0000000
T I C % 7.375000 % From Delivery Date

South Anderson Water District
Series 1988 B Bonds

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Debt Service and Call Report
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Date	Original Principal	Coupon	Original Interest	Original Debt Service	Principal To Escrow	Call Premium	Interest To Escrow	Debt Service To Escrow
5/20/99					129,000.00		3,673.36	132,673.36
7/ 1/99			4,756.88	4,756.88				
1/ 1/ 0	1,000.00	7.375000	4,756.88	5,756.88				
7/ 1/ 0			4,720.00	4,720.00				
1/ 1/ 1	1,000.00	7.375000	4,720.00	5,720.00				
7/ 1/ 1			4,683.13	4,683.13				
1/ 1/ 2	1,000.00	7.375000	4,683.13	5,683.13				
7/ 1/ 2			4,646.25	4,646.25				
1/ 1/ 3	2,000.00	7.375000	4,646.25	6,646.25				
7/ 1/ 3			4,572.50	4,572.50				
1/ 1/ 4	2,000.00	7.375000	4,572.50	6,572.50				
7/ 1/ 4			4,498.75	4,498.75				
1/ 1/ 5	2,000.00	7.375000	4,498.75	6,498.75				
7/ 1/ 5			4,425.00	4,425.00				
1/ 1/ 6	2,000.00	7.375000	4,425.00	6,425.00				
7/ 1/ 6			4,351.25	4,351.25				
1/ 1/ 7	2,000.00	7.375000	4,351.25	6,351.25				
7/ 1/ 7			4,277.50	4,277.50				
1/ 1/ 8	2,000.00	7.375000	4,277.50	6,277.50				
7/ 1/ 8			4,203.75	4,203.75				
1/ 1/ 9	2,000.00	7.375000	4,203.75	6,203.75				
7/ 1/ 9			4,130.00	4,130.00				
1/ 1/10	3,000.00	7.375000	4,130.00	7,130.00				
7/ 1/10			4,019.38	4,019.38				
1/ 1/11	3,000.00	7.375000	4,019.38	7,019.38				
7/ 1/11			3,908.75	3,908.75				
1/ 1/12	3,000.00	7.375000	3,908.75	6,908.75				
7/ 1/12			3,798.13	3,798.13				
1/ 1/13	3,000.00	7.375000	3,798.13	6,798.13				
7/ 1/13			3,687.50	3,687.50				
1/ 1/14	3,000.00	7.375000	3,687.50	6,687.50				
7/ 1/14			3,576.88	3,576.88				
1/ 1/15	4,000.00	7.375000	3,576.88	7,576.88				
7/ 1/15			3,429.38	3,429.38				
1/ 1/16	4,000.00	7.375000	3,429.38	7,429.38				
7/ 1/16			3,281.88	3,281.88				
1/ 1/17	4,000.00	7.375000	3,281.88	7,281.88				
7/ 1/17			3,134.38	3,134.38				
1/ 1/18	5,000.00	7.375000	3,134.38	8,134.38				
7/ 1/18			2,950.00	2,950.00				
1/ 1/19	5,000.00	7.375000	2,950.00	7,950.00				
7/ 1/19			2,765.63	2,765.63				
1/ 1/20	5,000.00	7.375000	2,765.63	7,765.63				

South Anderson Water District
Series 1988 B Bonds

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Debt Service and Call Report

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Date	Original Principal	Coupon	Original Interest	Original Debt Service	Principal To Escrow	Call Premium	Interest To Escrow	Debt Service To Escrow
7/ 1/20			2,581.25	2,581.25				
1/ 1/21	6,000.00	7.375000	2,581.25	8,581.25				
7/ 1/21			2,360.00	2,360.00				
1/ 1/22	6,000.00	7.375000	2,360.00	8,360.00				
7/ 1/22			2,138.75	2,138.75				
1/ 1/23	7,000.00	7.375000	2,138.75	9,138.75				
7/ 1/23			1,880.63	1,880.63				
1/ 1/24	7,000.00	7.375000	1,880.63	8,880.63				
7/ 1/24			1,622.50	1,622.50				
1/ 1/25	8,000.00	7.375000	1,622.50	9,622.50				
7/ 1/25			1,327.50	1,327.50				
1/ 1/26	8,000.00	7.375000	1,327.50	9,327.50				
7/ 1/26			1,032.50	1,032.50				
1/ 1/27	9,000.00	7.375000	1,032.50	10,032.50				
7/ 1/27			700.63	700.63				
1/ 1/28	9,000.00	7.375000	700.63	9,700.63				
7/ 1/28			368.75	368.75				
1/ 1/29	10,000.00	7.375000	368.75	10,368.75				
	129,000.00		195,658.75	324,658.75	129,000.00		3,673.36	132,673.36

Dated 1/ 1/99 with Delivery of 1/ 1/99
 Bond Years 2.553.000
 Average Coupon 7.375000
 Average Life 20.565891

=====

Calls Performed

=====

Call No.	Call Date	First Maturity Called	Last Maturity Called	Principal Called	Call Price	Call Premium
1)	5/20/99	1/ 1/ 0	1/ 1/29	129,000.00	100.000	0.00
				129,000.00		0.00

South Anderson Water District
Series 1988 A & B

=====

Debt Service Schedule

=====

Date	Principal	Interest	Period Total	Fiscal Total
7/ 1/99		25,760.00	25,760.00	25,760.00
1/ 1/ 0	8,000.00	25,760.00	33,760.00	
7/ 1/ 0		25,482.50	25,482.50	59,242.50
1/ 1/ 1	8,000.00	25,482.50	33,482.50	
7/ 1/ 1		25,205.00	25,205.00	58,687.50
1/ 1/ 2	9,000.00	25,205.00	34,205.00	
7/ 1/ 2		24,893.13	24,893.13	59,098.13
1/ 1/ 3	10,000.00	24,893.13	34,893.13	
7/ 1/ 3		24,544.38	24,544.38	59,437.50
1/ 1/ 4	11,000.00	24,544.38	35,544.38	
7/ 1/ 4		24,161.25	24,161.25	59,705.63
1/ 1/ 5	11,000.00	24,161.25	35,161.25	
7/ 1/ 5		23,778.13	23,778.13	58,939.38
1/ 1/ 6	12,000.00	23,778.13	35,778.13	
7/ 1/ 6		23,360.63	23,360.63	59,138.75
1/ 1/ 7	13,000.00	23,360.63	36,360.63	
7/ 1/ 7		22,908.75	22,908.75	59,269.38
1/ 1/ 8	13,000.00	22,908.75	35,908.75	
7/ 1/ 8		22,456.88	22,456.88	58,365.63
1/ 1/ 9	14,000.00	22,456.88	36,456.88	
7/ 1/ 9		21,970.63	21,970.63	58,427.50
1/ 1/10	16,000.00	21,970.63	37,970.63	
7/ 1/10		21,413.13	21,413.13	59,383.75
1/ 1/11	17,000.00	21,413.13	38,413.13	
7/ 1/11		20,821.25	20,821.25	59,234.38
1/ 1/12	18,000.00	20,821.25	38,821.25	
7/ 1/12		20,195.00	20,195.00	59,016.25
1/ 1/13	19,000.00	20,195.00	39,195.00	
7/ 1/13		19,534.38	19,534.38	58,729.38
1/ 1/14	20,000.00	19,534.38	39,534.38	
7/ 1/14		18,839.38	18,839.38	58,373.75
1/ 1/15	22,000.00	18,839.38	40,839.38	
7/ 1/15		18,073.13	18,073.13	58,912.50
1/ 1/16	23,000.00	18,073.13	41,073.13	
7/ 1/16		17,272.50	17,272.50	58,345.63
1/ 1/17	25,000.00	17,272.50	42,272.50	
7/ 1/17		16,403.13	16,403.13	58,675.63
1/ 1/18	27,000.00	16,403.13	43,403.13	
7/ 1/18		15,462.50	15,462.50	58,865.63
1/ 1/19	29,000.00	15,462.50	44,462.50	
7/ 1/19		14,453.13	14,453.13	58,915.63
1/ 1/20	30,000.00	14,453.13	44,453.13	
7/ 1/20		13,409.38	13,409.38	57,862.50

" EXHIBIT F "

South Anderson Water District
Series 1988 A & B

=====

Debt Service Schedule

=====

Date	Principal	Interest	Period Total	Fiscal Total
1/ 1/21	33,000.00	13,409.38	46,409.38	
7/ 1/21		12,260.00	12,260.00	58,669.38
1/ 1/22	35,000.00	12,260.00	47,260.00	
7/ 1/22		11,041.88	11,041.88	58,301.88
1/ 1/23	37,000.00	11,041.88	48,041.88	
7/ 1/23		9,752.50	9,752.50	57,794.38
1/ 1/24	39,000.00	9,752.50	48,752.50	
7/ 1/24		8,394.38	8,394.38	57,146.88
1/ 1/25	42,000.00	8,394.38	50,394.38	
7/ 1/25		6,930.63	6,930.63	57,325.00
1/ 1/26	45,000.00	6,930.63	51,930.63	
7/ 1/26		5,363.75	5,363.75	57,294.38
1/ 1/27	48,000.00	5,363.75	53,363.75	
7/ 1/27		3,691.25	3,691.25	57,055.00
1/ 1/28	51,000.00	3,691.25	54,691.25	
7/ 1/28		1,915.63	1,915.63	56,606.88
1/ 1/29	55,000.00	1,915.63	56,915.63	56,915.63
	740,000.00	1,039,496.25	1,779,496.25	
ACCRUED	740,000.00	1,039,496.25	1,779,496.25	

Dated 1/ 1/99 with Delivery of 1/ 1/99

South Anderson Water District
 Series 1988 A & B
 Called Bonds Debt Service
 =====
 Debt Service Schedule
 =====

Date	Principal	Interest	Period Total	Fiscal Total
5/20/99	740,000.00	19,892.44	759,892.44	759,892.44
	740,000.00	19,892.44	759,892.44	
ACCRUED	740,000.00	19,892.44	759,892.44	

Dated 1/ 1/99 with Delivery of 1/ 1/99

South Anderson Water District
 Water System Refunding Revenue Bonds
 Series 1999

=====

Bond Production Report

=====

Par Amount	865,000.00		
Production	-6,760.55		
Gross Production	858,239.45	99.2184335	
Bond Insurance	0.00	0.0000000	
Underwriters Discount	10,539.45	1.2184335	
Bid	847,700.00	98.0000000	
Accrued	4,114.69		
Net to Issuer	851,814.69		
Gross Interest Cost	667,343.50		
+Net Discount	17,300.00		
Net Interest Cost	684,643.50		
N I C %	5.2282374	Using	98.0000000
T I C %	5.2709229	From Delivery Date	
Bond Years	13,095.111		
Average Coupon	5.096127		
Average Life	15.138857		

**SOUTH ANDERSON (KENTUCKY) WATER DISTRICT
WATER SYSTEM REFUNDING REVENUE BONDS
SERIES 1999**

Schedule of Events

<u>Date</u>	<u>Event</u>
Week of March 29, 1999	<ul style="list-style-type: none">• File information with Public Service Commission regarding Finance Plan.• Distribution of draft Bond documents to distribution list.
Week of April 12, 1999	<ul style="list-style-type: none">• Advertise notice of Bond Sale in Courier-Journal and local paper.• Mail Preliminary Official Statement.
April 13, 1999	<ul style="list-style-type: none">• Special meeting of the South Anderson Water District at 10:00 a.m. EDT to approve bond documents and authorize sale of bonds.
April 19, 1999	<ul style="list-style-type: none">• Bids for Bonds accepted at 11:00 a.m. EDT at South Anderson Water District.
Week of May 17, 1999	<ul style="list-style-type: none">• Estimated date to receive order from the Public Service Commission regarding finance plan.
May 20, 1999	<ul style="list-style-type: none">• Close bond issue.

Kirkpatrick Pettis, Inc.

SOUTH ANDERSON WATER DISTRICT
AUDIT REPORT
FOR THE YEARS ENDED
DECEMBER 31, 1998 & 1997

Exhibit "G"

SOUTH ANDERSON WATER DISTRICT
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YEARS ENDED DECEMBER 31, 1998 & 1997

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W. DUDLEY SHRYOCK
CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 542
145 COLLEGE STREET
LAWRENCEBURG, KY 40342
(502) 839-8112

MEMBER AICPA

MEMBER KY SOCIETY
OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
South Anderson Water District
Lawrenceburg, KY 40342

I have audited the accompanying comparative balance sheets of South Anderson Water District as of December 31, 1998 & 1997, and the related statements of operations, net worth, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Anderson Water District as of December 31, 1998 & 1997, and the results of its operations and its cash flow for the years then ended in conformity with generally accepted accounting principles.

W. Dudley Shryock, CPA

W. Dudley Shryock, CPA
March 29, 1999

SOUTH ANDERSON WATER DISTRICT
BALANCE SHEET
DECEMBER 31, 1998 & 1997

ASSETS:

	<u>1998</u>	<u>1997</u>
UTILITY PLANT: (Note 3)		
Construction Work in Progress	\$ -0-	\$ -0-
In Service - at cost	3,509,572	3,420,935
Less: Accumulated Provision for Depreciation	(741,298)	(662,087)
	-----	-----
Total Utility Plant	\$2,768,274	\$2,758,848
	-----	-----

OTHER ASSETS AND INVESTMENTS:

Investments (Note 5)	\$ 238,307	\$ 235,145
	-----	-----
Total Other Assets and Investments	\$ 238,307	\$ 235,145
	-----	-----

CURRENT ASSETS:

Cash - General Funds (Note 5)	\$ 36,159	\$ 57,332
Cash - Reserved (Note 5)	127,220	133,053
Inventory	4,200	4,000
Accounts Receivable, net of allowance for doubtful accounts - \$2,144 and \$2,144, respectively	33,796	35,384
Other Current and Accrued Assets	4,890	4,248
	-----	-----
Total Current Assets	\$ 206,265	\$ 234,017
	-----	-----

TOTAL ASSETS	\$3,212,846	\$3,228,010
	=====	=====

The accompanying notes are an integral part of these statements.

SOUTH ANDERSON WATER DISTRICT
BALANCE SHEET
DECEMBER 31, 1998 & 1997

NET WORTH AND LIABILITIES

	<u>1998</u>	<u>1997</u>
NET WORTH:		
Contributions-in-aid (Note 7)	\$1,721,114	\$1,659,576
Retained Earnings	(133,392)	(71,098)
Total Net Worth	----- \$1,587,722 -----	----- \$1,588,478 -----
LONG-TERM DEBT:		
RDA Mortgage Notes less current maturities (Note 4)	\$1,528,000	\$1,549,000
Total Long-Term Debt	----- \$1,528,000 -----	----- \$1,549,000 -----
CURRENT LIABILITIES:		
Current Maturities of Long-Term Debt (Note 4)	\$ 21,000	\$ 20,000
Accounts Payable - Purchased Water	9,870	9,406
Accounts Payable - Other	4,853	5,103
Consumer Deposits	56,365	51,105
Accrued Taxes	3,563	2,575
Accrued Wages	1,473	2,343
Total Current Liabilities	----- \$ 97,124 -----	----- \$ 90,532 -----
TOTAL NET WORTH AND LIABILITIES	\$3,212,846 =====	\$3,228,010 =====

The accompanying notes are an integral part of these statements.

SOUTH ANDERSON WATER DISTRICT
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 1998 & 1997

	<u>1998</u>	<u>1997</u>
OPERATING INCOME:	\$469,427	\$459,746
OPERATING EXPENSES:		
Cost of Water	\$130,570	\$126,062
Salaries & Wages - Employees	74,799	66,726
Salaries & Wages - Commissioners	10,800	10,800
Payroll Taxes	5,750	7,964
Retirement Expense	5,547	4,012
Purchased Power	10,356	10,227
Chemicals	1,164	933
Materials & Supplies	21,780	22,927
Contractual Services	83,084	29,717
Rent	5,400	5,400
Transportation	7,151	6,843
Insurance	13,546	14,908
PSC Assessment	840	642
Advertising	134	557
Bad Debt	0	330
Miscellaneous	2,048	2,033
Depreciation	79,211	75,970
	-----	-----
Total Operating Expenses	\$452,180	\$386,051
	-----	-----
OPERATING INCOME BEFORE FIXED CHARGES	\$ 17,247	\$ 73,695
FIXED EXPENSES:		
Interest on Long-Term Debt & Consumer Deposit	99,023	97,417
	-----	-----
NET OPERATING LOSS	\$ (81,776)	\$ (23,722)
NONOPERATING INCOME:		
Interest Income	19,483	18,815
	-----	-----
NET PROFIT (LOSS) FOR CALENDAR YEAR	\$ (62,293)	\$ (4,907)
	=====	=====

The accompanying notes are an integral part of these statements.

SOUTH ANDERSON WATER DISTRICT
STATEMENT OF NET WORTH
FOR THE YEARS ENDED DECEMBER 31, 1998 & 1997

	NET WORTH	CONTRIBUTIONS IN-AID	TOTAL
Balance - January 1, 1997	\$ (66,191)	\$1,613,726	\$1,547,535
Net Profit (Loss) for the year ended December 31, 1997	(4,907)	N/A	(4,907)
Rounding	-0-	-0-	-0-
Contribution in Aid	N/A	45,850	45,850
	-----	-----	-----
Balance - December 31, 1997	\$ (71,098)	\$1,659,576	\$1,588,478
Net Profit (Loss) for the year ended December 31, 1998	(62,293)	N/A	(62,293)
Rounding	(1)	0	(1)
Contribution In Aid	N/A	61,538	61,538
	-----	-----	-----
Balance - December 31, 1998	\$ (133,392)	\$1,721,114	\$1,587,722
	=====	=====	=====

The accompanying notes are an integral part of these statements.

SOUTH ANDERSON WATER DISTRICT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 1998 & 1997

CASH FLOWS FROM OPERATION ACTIVITIES:

	<u>1998</u>	<u>1997</u>
Net Profit (Loss)	\$ (62,293)	\$ (4,907)
Items Not Requiring Cash:		
Depreciation	\$ 79,211	\$ 75,970
Change in Inventory	(200)	-0-
Change in Accounts Receivable	1,588	(2,914)
Change in Other Current Assets	(644)	77
Change in Accounts Payable	214	(744)
Change in Accrued Expenses	118	1,000
	-----	-----
Net Cash Flows From Operation Activities	\$ 17,994	\$ 68,482

CASH FLOWS FROM INVESTING ACTIVITIES:

Bulk Water Station	\$ (52)	\$ 0
Office Furniture & Equipment	(7,317)	(2,300)
Meter & Installations	(25,468)	(19,517)
Distribution Main Construction	(28,299)	(29,692)
Land & Land Rights	(27,500)	(1,201)
Transportation Equipment	0	(9,617)
Additions to Certificates of Deposit (Net of Transfers)	(3,162)	(29,026)
Contributions in Aid of Construction	61,538	45,850
Consumer Deposits	5,260	3,260
	-----	-----
Net Cash Flows From Investing Activities	\$ (25,000)	\$ (42,243)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from Bond Issue	\$ -0-	\$ -0-
Repayment of RDA Bonds	(20,000)	(20,000)
	-----	-----
Net Cash Flows From Financing Activities	(20,000)	(20,000)
	-----	-----
Net Increase in Cash and Cash Equivalents	\$ (27,006)	\$ 6,239
Cash & Cash Equivalents January 1	190,385	184,146
	-----	-----
Cash & Cash Equivalents December 31	\$ 163,379	\$ 190,385
	=====	=====

The accompanying notes are an integral part of these statements.

SOUTH ANDERSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 1998 & 1997

NOTE 1 - Summary of Significant Accounting Policies and Description of Funds.

The District maintains its records in accordance with policies prescribed or permitted by the Kentucky Public Service Commission and the United States Rural Development Administration. The more significant accounting policies are as follows.

(a) Utility Plant:

Utility plant is stated at original cost, which is the cost when first dedicated to public service. Such basis includes applicable supervisory and overhead cost.

The cost of maintenance and repairs, including replacements of minor items of property, is charged to operation expenses. The cost of replacements of depreciable property units, as distinguished from minor items, is charged to utility plant. The cost of units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation.

(b) Depreciation:

Depreciation of all fixed assets is charged as expense against their operations. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Utility Plant	45 years
Office Equipment	10 years
Computer Equipment & Vehicles	5 years

(c) Revenue and Cost of Water:

Revenues are principally recorded in the period in which meters are read. The District does not accrue amounts receivable for water sold but not billed. The cost of water sold is recorded during the period in which it is consumed.

(CONTINUED)

SOUTH ANDERSON WATER DISTRICT
 NOTES TO FINANCIAL STATEMENT (CONTINUED)
 DECEMBER 31, 1998 & 1997

NOTE 1 - Summary of Significant Accounting Policies and Description of Funds. (Continued)

(d) Investments:

Investments are reported at historical cost. Also, see Note 5.

NOTE 2 - ASSETS PLEDGED:

Substantially all assets are pledged as security for long-term debt to the Rural Development Administration.

NOTE 3 - UTILITY PLANT:

Listed below is the utility plant in service at December 31:

	<u>1998</u>	<u>1997</u>
Land & Land Rights	\$ 32,298	\$ 4,798
Reservoir & Stand Pipes	52,671	52,671
Distribution Mains	3,041,237	3,012,937
Meter & Meter Installations	309,319	283,851
Hydrants	700	700
Bulk Water Station	17,389	17,337
Transportation Equipment	17,006	17,006
Office Equipment	38,952	31,635
	-----	-----
	\$3,509,572	\$3,420,935
Less: Accumulated Depreciation	(741,298)	(662,087)
	-----	-----
Utility Plant in Service	\$2,768,274	\$2,758,848
	=====	=====

(CONTINUED)

SOUTH ANDERSON WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1998 & 1997

NOTE 4 - MORTGAGE NOTES

Long term debt is represented by mortgage notes payable to the United States of America. Following is a summary of outstanding long-term debt as of December 31:

	<u>1998</u>	<u>1997</u>
Due United States of America:		
5.000% First Mortgage Notes	\$ 175,000	\$ 182,000
6.875% First Mortgage Notes	611,000	617,000
7.375% First Mortgage Notes	129,000	130,000
5.500% First Mortgage Notes	634,000	640,000
	-----	-----
	1,549,000	1,569,000
Less Current Maturities	(21,000)	(20,000)
	-----	-----
	\$1,528,000	\$1,549,000
	=====	=====

As of December 31, 1998 annual maturities of long-term debt outstanding for the next five years are as follows:

1999	21,000
2000	21,000
2001	24,000
2002	25,000
2003	27,000

NOTE 5 - CASH AND INVESTMENTS

All cash is deposited in institutions insured by the Federal Deposit Insurance Corporation. All transfers have been made as required by the bond ordinance.

a) Cash consists of the following:

	<u>GENERAL</u>	
	<u>1998</u>	<u>1997</u>
Revenue Account	\$ 29,141	\$ 29,497
Operation and Maintenance Account	4,721	25,538
Extension Account	2,297	2,297
	-----	-----
	\$ 36,159	\$ 57,332
	=====	=====

(CONTINUED)

SOUTH ANDERSON WATER DISTRICT
 NOTES TO FINANCIAL STATEMENT (CONTINUED)
 DECEMBER 31, 1998 & 1997

NOTE 5 - CASH AND INVESTMENTS (Continued)

	<u>RESERVED</u>	
	<u>1998</u>	<u>1997</u>
Construction Extension Account	\$ 10,927	\$ 63,433
Extension Account	31,473	17,277
Debt Service Account & Reserve Acct.	24,310	11,595
Interest & Principal Account	53,812	42,030
Local Construction Account	6,698	(1,282)
	-----	-----
	\$127,220	\$133,053
	=====	=====

Investments at December 31 were made up of Certificates of Deposit at the Anderson National Bank and the Lawrenceburg National Bank as listed below:

	<u>1998</u>	<u>1997</u>
Customer Security Deposits	\$ 55,507	\$ 52,345
Extension Account	65,000	65,000
Debt Service	59,644	59,644
Reserve Account	58,156	58,156
	-----	-----
Total	\$238,307	\$235,145
	=====	=====

Interest receivable from these investments totaled \$1,846 @ 12/31/98 and \$1,603 @ 12/31/97.

NOTE 6 - RATES:

The district operates under rates approved by the Kentucky Public Service Commission.

NOTE 7 - CONTRIBUTIONS IN AID OF CONSTRUCTION:

The members of the district have made contributions in aid of construction to facilitate the construction of the district's waterlines. As of December 31, 1998 the district had received \$743,757 for this purpose. When the original lines were constructed a contribution in aid of construction was received from Farmer's Home Administration in the amount of \$275,600. The balance of the contribution in aid of construction account is contributions from the Community Development Block Grant Program in the amount of \$674,757 and a grant of \$27,000 from the Local Government in Anderson County, Kentucky.

SOUTH ANDERSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENT (CONTINUED)
DECEMBER 31, 1998 & 1997

NOTE 8 - RELATED PARTY TRANSACTIONS

South Anderson Water District rents office and materials inventory storage space from Manager Alton Warford. Rent was paid during 1998 (\$5,400 annual rent) & 1997 (\$5,400 annual rent) at the rate of \$450.00 per month. The property is located at 246 East Court Street in Lawrenceburg, Kentucky.

SOUTH ANDERSON WATER DISTRICT
MEMBERS OF THE BOARD
December 31, 1998

<u>NAME</u>	<u>ADDRESS</u>	<u>TERM EXPIRES</u>
Bob Kincer, Chairman	1100 Harry Wise Rd. Lawrenceburg, KY 40342	January, 2003
Janet Bryant, Treasurer	1285 Jenny Lillard Rd. Lawrenceburg, KY 40342	December, 2002
George Kinne, Secretary	1800 Harrodsburg Rd. Lawrenceburg, KY 40342	January, 2003
Alton Warford, Manager	1063 Gilberts Creek Road Lawrenceburg, KY 40342	

INDEPENDENT AUDITORS REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
South Anderson Water District
Lawrenceburg, Kentucky 40342

I have audited the financial statements of the South Anderson Water District for the years ended December 31, 1998 & 1997, and have issued my report thereon dated March 29, 1999.. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether South Anderson Water District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered South Anderson Water District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure over financial reporting that, in my judgment, could adversely affect South Anderson Water District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Division of accounting duties between employees, to provide checks and balances, requires multiple accounting personnel. South Anderson Water District only has one bookkeeper, therefore, it is not possible to divide accounting chores. This is one limitation that can not be remedied until the District grows and can afford to hire additional accounting personnel. However, the lack of adequate segregation of duties is hereby noted as a reportable condition pursuant to professional auditing standards.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended for the information of the Board of Commissioners, management, and the Anderson County Fiscal Court. However, this report is a matter of public record and its distribution is not limited.

W. Dudley Shryock, CPA

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March 29, 1999